~~D/CIA/TS//SI//TK//NOFORN//X1~~

SECURITY CLASSIFICATION

NSA STAFF PROCESSING FORM

TO	EXREG CONTROL NUMBER	KCC CONTROL NUMBER
DIRECTOR	90458	IG-10294-04

THRU	ACTION	EXREG SUSPENSE
D/DIR _____, D SECRETARIAT _____	☐ APPROVAL ☒ SIGNATURE ☐ INFORMATION	KCC SUSPENSE ELEMENT SUSPENSE

SUBJECT
(U//~~FOUO~~) Quarterly Report to the Intelligence Oversight Board on NSA Activities—First Quarter FY04

DISTRIBUTION
CY OCT03 - DEC 03

SUMMARY

PURPOSE: (U//~~FOUO~~) To forward to the Intelligence Oversight Board (IOB) of the President's Foreign Intelligence Advisory Board, via the Assistant to the Secretary of Defense for Intelligence Oversight (ATSD(IO)), NSA's quarterly report on its intelligence activities.

BACKGROUND: (U//~~FOUO~~) Executive Order 12333 and Executive Order 12863 require Intelligence Community agency heads and Intelligence Community General Counsels and Inspectors General, respectively, to report to the IOB on a quarterly basis concerning intelligence activities that they have reason to believe may be unlawful or contrary to Executive Order or Presidential Directive. The enclosed memorandum covers all reportable activities known to the Inspector General and General Counsel. Per PIOB letter of 6 August 1982, Agency heads are responsible for reporting separately any additional reportable activities known to them, unless the President has specifically instructed that the Board is not to be informed. The Director's signature signifies that no other activities that require reporting are known to him.

RECOMMENDATION: (U) Director sign the enclosed memorandum.

Approved for Release by NSA on 12-19-2014, FOIA Case # 70809 (Litigation)

This document may be declassified
and marked "UNCLASSIFIED//~~For Official Use Only~~"
upon removal of enclosure(s)

(b)(3)-P.L. 86-36

COORDINATION/APPROVAL

OFFICE	NAME AND DATE	SECURE PHONE	OFFICE	NAME AND DATE	SECURE PHONE
ActingGC	Vito Potenza	5548s	DOJ		
AGC(O)		3121s			
IG	Joel F. Brenner	3544s			
D/IG		3544s			
AIG(IO)		3544s			

ORIGINATOR	ORG	PHONE (Secure)	DATE PREPARED
	D11	963-2984	27 February 2004

FORM A6796 FEB 94
NSN: 7540-FM-001-5465

DERIVED FROM: NSA/CSSM 123-2
DATED: 24 February 1998
DECLASSIFY ON: X1

SECURITY CLASSIFICATION
~~TOP SECRET//COMINT//ORCON//NOFORN//X1~~

NATIONAL SECURITY AGENCY
CENTRAL SECURITY SERVICE
FORT GEORGE G. MEADE, MARYLAND 20755-6000

17 March 2004

MEMORANDUM FOR THE CHAIRMAN, INTELLIGENCE OVERSIGHT BOARD

THRU: Assistant to the Secretary of Defense (Intelligence Oversight)

SUBJECT: (U//~~FOUO~~) Report to the Intelligence Oversight Board on NSA Activities - INFORMATION MEMORANDUM

(U//~~FOUO~~) Except as previously reported to you or the President, or otherwise stated in the enclosure, we have no reason to believe that any intelligence activities of the National Security Agency during the quarter ending 31 December 2003, were unlawful or contrary to Executive Order or Presidential Directive, and thus required to be reported pursuant to Section 1.7.(d) of Executive Order 12333.

(U//~~FOUO~~) The Inspector General and the General Counsel continue to exercise oversight of Agency activities by means of inspections, surveys, training, review of directives and guidelines, and advice and counsel. These activities and other data requested by the Board or members of the staff of the Assistant to the Secretary of Defense (Intelligence Oversight) are described in the enclosure.

JOEL F. BRENNER
Inspector General

VITO T. POTENZA
Acting General Counsel

(U//~~FOUO~~) I concur in the report of the Inspector General and the General Counsel and hereby make it our combined report.

MICHAEL V. HAYDEN
Lieutenant General, USAF
Director, NSA/Chief, CSS

Encl:
a/s

This Memorandum is Unclassified

DERIVED FROM: NSA/CSSM 123-2
DATED: 24 FEB 98
DECLASSIFY ON: X1

1. (U) INSPECTOR GENERAL ACTIVITIES

a. ~~(C//SI)~~ During this quarter, the Office of Inspector General (OIG) reviewed various intelligence activities of the National Security Agency/Central Security Service (NSA/CSS) to determine whether they were conducted in accordance with applicable statutes, Executive Orders (E.O.s), Attorney General procedures, and DoD and internal directives. With few exceptions, the issues presented were routine and indicated that the operating elements understand the restrictions on NSA/CSS activities.

(b)(1)
(b)(3)-P.L. 86-36
(b)(3)-50 USC 3024(i)

b. ~~(S//SI)~~ The NSA OIG completed a review of the [redacted] The review determined that all [redacted] had appropriately reported compliance issues to the NSA OIG. Regarding intelligence oversight (I/O) training, the [redacted] had initiated mandatory online training for all personnel, eliminating the previous separate and cumbersome I/O training processes for field and headquarters personnel. The on-line training module documents training completion in a database.

c. (U//~~FOUO~~) Along with inspectors from the [redacted], the NSA OIG completed a follow-up inspection of the [redacted]. The joint inspection report notes that the site's web-based I/O refresher training program was rewritten, eliminating the deficiencies noted during the last inspection.

(b)(3)-P.L. 86-36

d. (U//~~FOUO~~) An OIG inspection of the [redacted] determined that the organization was compliant with E.O. 12333 and DoD Regulation 5240.1-R, as well as NSA/CSS Directive 10-30. The Division conducts annual I/O refresher training and routinely submits compliance reports to the OIG.

e. (U//~~FOUO~~) Inspectors from the [redacted] and NSA OIG completed a joint inspection of the Fort Gordon Regional Security Operations Center (GRSOC), GA. The inspectors concluded that all newcomers to the

DERIVED FROM: NSA/CSSM 123-2
DATED: 24 FEB 98
DECLASSIFY ON: X1

site receive I/O training from the Security Services Directorate, GRSOC, during initial security indoctrination; however, the initial I/O training videotape does not address some service-specific requirements. Annual refresher training is conducted via a computer-based module that tests and documents completion in a database. The inspectors tested 22 percent of the personnel at the site to gauge general I/O knowledge and the ability to apply it to site operations. The test results indicate a good understanding of the regulations governing I/O, but a slight weakness in practical application.

2. (U) GENERAL COUNSEL ACTIVITIES

~~(C//SI)~~ The NSA Office of General Counsel (OGC) reviewed various intelligence activities of the NSA/CSS to determine whether they were conducted in accordance with applicable statutes, E.O.s, Attorney General procedures, and DoD and internal directives. The OGC advised Agency elements on a number of questions, including the collection and dissemination of communications of or concerning U.S. persons; the reporting of possible violations of federal criminal law contained in SIGINT product; the testing of electronic equipment; and the applicability of the Foreign Intelligence Surveillance Act (FISA). With few exceptions, the issues presented were routine and indicated that the operating elements understand the restrictions on NSA/CSS activities. The OGC did not file any reports with the Intelligence Oversight Board during this quarter.

3. (U) SIGINT ACTIVITIES

a. ~~(S//SI)~~ Collection Against U.S. Persons

(1) (U) Intentional

~~(S//SI)~~ During this quarter, the DIRNSA granted approval for consensual collection against [ ] persons. DIRNSA-approved consensual collection against [ ] U.S. persons was routinely terminated this quarter.

~~(S//SI)~~ The Attorney General (AG) granted authority to collect the communications of [ ] U.S. persons during this quarter.

(b)(1)
(b)(3)-P.L. 86-36

(2) (U) Unintentional

a. ~~(TS//SI)~~ The Signals Intelligence Directorate (SID) inappropriately targeted a U.S. person located in [ ] from [ ] after receiving a copy of an NSA request to the AG to target the

(b)(1)
(b)(3)-P.L. 86-36
(b)(3)-50 USC 3024(i)

individual. The analysts handling the request were unfamiliar with the process for requesting AG authorization, and incorrectly assumed that the signed NSA package, prepared to obtain the authorization, was the final AG approval. Upon recognizing the mistake, SID immediately terminated all targeting and destroyed all intercept. Because collection resulted in no reportable foreign intelligence, no reports were prepared. The OIG is investigating the incident to ascertain the extent of shortcomings in NSA's process for obtaining and implementing AG-authorized collection.

(b)(1)
(b)(3)-P.L. 86-36

b. ~~(TS//SI//NF)~~ the SID inadvertently targeted the telephone number of a U.S. person located in After discovering the individual's U.S. person status, the SID discontinued the targeting, but retained significant foreign intelligence obtained during the targeting under the provisions of USSID-18 that permit retention of U.S. person information necessary to maintain technical databases and for traffic analytic purposes.

(b)(1)
(b)(3)-P.L. 86-36
(b)(3)-50 USC 3024(i)
(b)(3)-18 USC 798

(b)(1)
(b)(3)-P.L. 86-36

c. ~~(S//SI)~~ and that the analyst initially believed was associated with the Subsequent research revealed that the Noting that the telephone number had never been detasked from NSA collection after the analyst had the number detasked.

d. ~~(TS//SI//OC//NF)~~ SID tasked telephone numbers belonging to a Over a period of time, however, it became apparent that the numbers That number was subsequently detasked, all traffic obtained from the tasking was destroyed, and reports containing information obtained during the tasking were cancelled.

(b)(1)
(b)(3)-P.L. 86-36

e. ~~(TS//SI)~~ the issued reports which were later found to be based on communications of a valid

(b)(1)
(b)(3)-P.L. 86-36
(b)(3)-18 USC 798
(b)(3)-50 USC 3024(i)

(b)(1)
(b)(3)-P.L. 86-36
(b)(3)-50 USC 3024(i)

foreign intelligence target with a U.S. [redacted] The reports were cancelled and the collection was destroyed. (b)(1) (b)(3)-P.L. 86-36

f. ~~(TS//SI)~~ Without seeking the requisite waiver from the DIRNSA, the [redacted] disseminated to [redacted] information about a U.S. person obtained by inadvertently intercepting his communications, and [redacted] In the wake of the incident, the NSA OGC provided corrective guidance to [redacted] through [redacted] Headquarters. (b)(1) (b)(3)-P.L. 86-36 (b)(3)-18 USC 798 (b)(3)-50 USC 3024(i)

g. ~~(TS//SI)~~ [redacted] a SID analyst conducted database searches [redacted] The U.S. persons were directly involved with [redacted] and also participated in various [redacted] The U.S. persons' names were originally identified while searching [redacted] No reports were issued on the resulting material, the retrieval was deleted, and the analyst who performed the searches was counseled and given additional I/O training.

h. ~~(S//SI//NF)~~ This quarter, unintentional retrievals using the [redacted] raw traffic files resulted in [redacted] incidents against U.S. persons. All incidents were reported to responsible oversight officials and corrective actions were taken. All unauthorized traffic collected has been destroyed. (b)(3)-P.L. 86-36

b. (U//~~FOUO~~) Dissemination of U.S. Identities (b)(1) (b)(3)-P.L. 86-36

(1) (U) Intentional

~~(S//SI)~~ In accordance with section 7 of USSID 18, U.S. identities were disseminated [redacted] times during this quarter. The following table shows the justification and the number of instances of dissemination: In the "Unmasked" column, the U.S. identity was revealed in a serialized end product; in the "User Requested" column, a U.S. identity was released to a user at the user's request.

JUSTIFICATION	Unmasked By Analyst	Unmasked at User Request	TOTAL
7.2.c Necessary			
7.2.c.1 Foreign Official			
7.2.c.3 International Narcotics			
7.2.c.4 Criminal Activity			
7.2.c.7 U.S. Government Official			
TOTAL			

(b)(1)
(b)(3)-P.L. 86-36

(2) (U) Unintentional

~~(S//SI)~~ During this quarter, [ ] SIGINT products were canceled because they contained the identities of U.S. persons, organizations, or entities. Those products that contained information derived from communications of U.S. persons were not reissued.

(3) (U) Raw Traffic Dissemination Outside the SIGINT Production Chain

a. ~~(TS//SI)~~ [ ] the I/O officer at [ ] [ ] determined that the [ ] classified website, which is available to both those personnel who are part of the SIGINT production chain and those who are not, contained raw SIGINT traffic. The raw SIGINT data has been removed.

(b)(1)
(b)(3)-P.L. 86-36

b. ~~(S//SI)~~ [ ]

[ ] The SID ensures that the personnel are trained by the OGC on NSA's legal restrictions and on proper handling and dissemination of SIGINT data [ ] [ ] Personnel working in or with SID during the first quarter of fiscal year 2004 include representatives of the [ ]

(b)(3)-P.L. 86-36

electronically with the [redacted] (b)(3)-P.L. 86-36

4. (U) OTHER ACTIVITIES

(U) Assistance to Law Enforcement

~~(S//SI)~~ During this quarter, the SID approved requests for technical assistance from law enforcement, including requests from [redacted] (b)(1) (b)(3)-P.L. 86-36 [redacted] Assistance included [redacted]

(U) Working Aids

(U//~~FOUO~~) The SID maintains "U.S. Identities in SIGINT" and a matrix of blanket reporting waivers on its web page for use by all NSA/CSS analysts. The E.O., NSA/CSS Regulation 10-30, DoD Regulation 5240.1-R, and USSID 18 are also available on-line. Several offices in SID maintain files to be used to prevent targeting of U.S. persons.